

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

1 4 - 009

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 1, 2014

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902(a)(10)(A)(ii)(XV) and (XVI)

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 _____ \$ 0

b. FFY 2015 _____ \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 2.6-A, Pages 12d and 12o

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 2.6-A, Pages 12d and 12o

10. SUBJECT OF AMENDMENT:

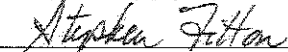
This SPA brings the State Plan into compliance with changes implemented by State law.

11. GOVERNOR'S REVIEW (Check One):

- ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:
Stephen Fitton, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

June 30, 2014

16. RETURN TO:

Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

Eligibility Conditions and Requirements

CitationCondition or Requirement

1902(a)(10)(A)
(ii)(XV) of the Act

(ii) Working Individuals with Disabilities - Basic Coverage Graue
TWWIA

In determining financial eligibility for working individuals with disabilities under this provision, the following standards and methodologies are applied:

☐ The agency does not apply any income or resource standard.

☒ The agency applies the following income and/or resource standard(s):

Income Limit:

Individual's total countable income cannot exceed 400%
250% of current federal poverty level guidelines.

Resource Limit:

~~Individual's total countable assets cannot exceed \$2,000~~
INDIVIDUAL'S TOTAL COUNTABLE ASSETS CANNOT EXCEED
THE CURRENT MEDICARE SAVINGS PROGRAM ASSET LIMITS.

TN NO.: 14-009

Approval Date: _____

Effective Date: 04-01-2014

Supersedes

TN No.: 04-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

Eligibility Conditions and Requirements

Citation

Sections 1902(a)(10)(A)
(ii)(XV), (XVI), and 1916(g)
of the Act (cent)

Condition or Requirement

Premiums and Other Cost-Sharing Charges

For the Basic Coverage Group and the Medical Improvement Group, the agency's premium or other cost-sharing charges, and how they are applied, are described below.

~~The premium is based on the enrolled individual's annualized earned income above 250% of the current federal poverty guidelines for a family of 1.~~

~~Individuals with earned income at or above 250% of the federal poverty level for a family of 1 will pay a sliding scale premium.~~

THERE IS NO PREMIUM FOR INDIVIDUALS WITH GROSS INCOME LESS THAN 138% OF THE FPL.

THERE IS A PREMIUM OF UP TO 7.5% PER MONTH OF TOTAL GROSS INCOME FOR INDIVIDUALS WITH INCOME BETWEEN 138% OF THE FPL FOR A FAMILY OF 1 AND \$75,000 OF ADJUSTED GROSS INCOME.

Individuals with annual income exceeding \$75,000 ADJUSTED GROSS INCOME will pay a premium of 100% of the average medical assistance beneficiary FREEDOM TO WORK PROGRAM PARTICIPANT cost FOR AN ENROLLED individual as determined by the Department of Community Health.

~~The sliding fee scale premium is as follows:~~

Income	Premium
250% to 349% FPL	= \$50.00 monthly
350% to 499% FPL	= \$190.00 monthly
500% to \$75,000 FPL	= \$460.00 monthly
\$75,000 or more	= \$920.00 monthly

TN NO.: 14-009

Approval Date: _____

Effective Date: 04-01-2014

Supersedes

TN No.: 04-03



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF COMMUNITY HEALTH
LANSING

JAMES K. HAVEMAN
DIRECTOR

May 7, 2014

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Amendment to the Freedom to Work Medicaid Program

This letter, in compliance with Section 6505 of the Affordable Care Act, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

MDCH intends to submit a State Plan Amendment to the Centers for Medicare and Medicaid Services to modify the Freedom to Work Medicaid program. These changes will increase the income limits for eligibility for the program and change the methodology for calculating the monthly program premium to an amount based on a percentage of their gross income.

You may submit comments regarding this Notice of Intent to msapolicy@michigan.gov. If you would like to discuss the Notice of Intent, please contact Lorna Elliott-Egan, MDCH Liaison to the Michigan Tribes. Lorna can be reached at (517) 373-4963 or via e-mail at Elliott-EganL@michigan.gov.

There is no public hearing scheduled for this State Plan Amendment.

Sincerely,

Stephen Fitton, Director
Medical Services Administration

cc: Leslie Campbell, Region V, CMS
Pamela Carson, Region V, CMS
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of
Southeastern Michigan
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office

Michigan's Justification for not Meeting 60 Day Tribal Notification Requirement for

SPA 14-009, Freedom to Work

Michigan's Freedom to Work (FTW) program (TWWIA Basic Coverage Group) offers continuing Medicaid coverage for the working disabled. This group comprises a relatively small percentage of our disabled Medicaid eligibles and is a fraction of our Medicaid population as a whole. Since inception, the program has used income and asset limits that essentially mirror our optional SSI-related Aged and Disabled group.

Effective in 2013, changes in State law created mandatory increases to the income and asset limits for the FTW program, changed the premium calculation methodology and allowed for previously ineligible individuals with disabilities to become eligible for health coverage under Medicaid. The changes increased the income and asset limits allowing previously ineligible individuals with disabilities to become eligible for health coverage under Medicaid.

Under Maintenance of Effort (MOE) requirements of the Affordable Care Act, and ongoing technical amendments to the enacted State legislation; it was not possible to implement prior to January 2014. Due to changes in the premium calculation methodology, it was thought there might be an increase in the number of individuals needing to pay a monthly premium.

Once it was determined the time to implement the State law via a State Plan amendment, Michigan reviewed its State Plan language for Tribal consultation requirements. Current language, approved March, 30, 2010, specifies the State will provide written notification to the tribal liaisons of all proposed state plan amendments, proposals for demonstration projects, waiver requests, renewals, extensions or amendments that may have a direct or adverse effect on Native Americans, Indian Health programs or Urban Indian organizations.

Demonstrating due diligence, and as soon as it was possible, Michigan submitted written notification to the Tribal liaisons regarding the proposed SPA. The letter was sent on May 7, 2014. Michigan recognizes the notice was sent six days shy of the sixty days SPA submission requirement, however, the State believes the impact of this SPA will be negligible, and will not have a direct or adverse effect on Native Americans, Indian Health programs or Urban Indian Health organizations.

We would also note, that given the length of time required to develop and approve a SPA, the State provides its assurance that any comments and/or suggestions received from the Tribes during the six day period would still be valuable and would be reviewed and implemented if deemed appropriate. To date, the State has not received any comments or questions from the Tribes on this notification.

It's always Michigan's intent to maintain or become compliant with State and Federal law. Sometimes the balance is difficult. That is why we are requesting CMS consider this particular circumstance and accept this SPA with the effective date of April 1, 2014.